

EXHIBIT A

Vanguard® Money Market Funds

Investor Shares • December 23, 2005

This prospectus contains financial data for the Funds through the fiscal year ended August 31, 2005.

MONEY
MARKET

prospectus

Vanguard Prime Money Market Fund

Vanguard Federal Money Market Fund

Vanguard Treasury Money Market Fund

Vanguard Admiral Treasury Money Market Fund

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

THE Vanguard GROUP

Vanguard Money Market Funds

Prospectus

December 23, 2005

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Why Reading This Prospectus Is Important

This prospectus explains the investment objective, policies, and risks associated with each Fund. To highlight terms and concepts important to mutual fund investors, we have provided Plain Talk® explanations along the way. Reading the prospectus will help you decide whether a Fund is the right investment for you. We suggest that you keep this prospectus for future reference.

Share Class Overview

This prospectus offers Investor Shares for all the Funds. A separate prospectus offers Institutional Shares of Vanguard Prime Money Market Fund. Institutional Shares are for investors who generally do not require special employee benefit plan services and who invest a minimum of \$5 million.

The Prime Money Market Fund's separate share classes have different expenses; as a result, their investment performances will differ.

1

Fund Profile—Vanguard Prime Money Market Fund

INVESTMENT OBJECTIVE

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

PRIMARY INVESTMENT POLICIES

The Fund invests primarily in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories. The Fund invests more than 25% of its assets in securities issued by companies in the financial services industry. The Fund maintains a dollar-weighted average maturity of 90 days or less. For more information, see **More on the Funds**.

PRIMARY RISKS

The Fund is designed for investors with a low tolerance for risk; however, the Fund's performance could be hurt by:

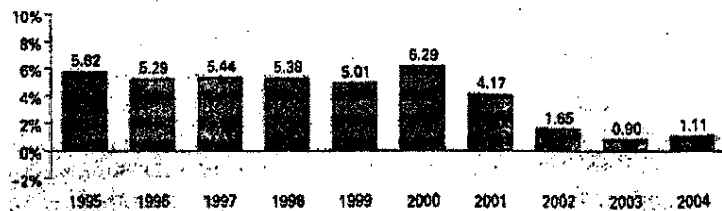
- **Income risk**, which is the chance that the Fund's income will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- **Manager risk**, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- **Credit risk**, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the Fund because it invests only in securities that are considered to be of high quality.
- **Industry concentration risk**, which is the chance that there will be overall problems affecting a particular industry. Because the Fund will invest more than 25% of its assets in securities of companies in the financial services industry, the Fund's performance will depend to a greater extent on the overall condition of that industry.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

PERFORMANCE/RISK INFORMATION

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's Investor Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the Fund's Investor Shares compare with those of a relevant money market index and an average money market fund. Keep in mind that the Fund's past returns do not indicate how the Fund will perform in the future.

Annual Total Returns—Investor Shares



The year-to-date return as of the most recent calendar quarter, which ended September 30, 2005, was 2.04%.

During the periods shown in the bar chart, the highest return for a calendar quarter was 1.61% (quarter ended September 30, 2000), and the lowest return for a quarter was 0.19% (quarter ended March 31, 2004).

Average Annual Total Returns for Periods Ended December 31, 2004

	1 Year	5 Years	10 Years
Vanguard Prime Money Market Fund Investor Shares	1.11%	2.80%	4.09%
Comparative Benchmarks			
Citigroup 3-Month U.S. Treasury Bill Index (reflects no deduction for fees or expenses)	1.24	2.79	3.99
Average Money Market Fund*	0.60	2.22	3.54

* Derived from data provided by Lipper Inc.

If you would like to know the current annualized 7-day yield for the Fund, please visit our website at www.vanguard.com or call Vanguard's Investor Information Department at 800-662-7447 (SHIP).

FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold Investor Shares of the Fund. As is the case with all mutual funds, transaction costs incurred by the Fund for buying and selling securities are not reflected in the table, although such costs are reflected in the investment performance figures included in the prospectus. The expenses shown under *Annual Fund Operating Expenses* are based on those incurred in the fiscal year ended August 31, 2005.

SHAREHOLDER FEES (fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Purchase Fee:	None
Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fee:	None*

ANNUAL FUND OPERATING EXPENSES (expenses deducted from the Fund's assets)

Management Expenses:	0.28%
12b-1 Distribution Fee:	None
Other Expenses:	0.02%
Total Annual Fund Operating Expenses:	0.30%

* A \$5 fee applies to wire redemptions under \$5,000.

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The following example is intended to help you compare the cost of investing in the Fund's Investor Shares with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years	5 Years	10 Years
\$31	\$97	\$169	\$361

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Additional Information

Dividends Declared daily and distributed on the first business day of each month	Minimum Initial Investment \$3,000
Investment Advisor The Vanguard Group, Valley Forge, Pa., since 1981	Newspaper Abbreviation VangPr
Inception Date June 4, 1975	Vanguard Fund Number 30
Net Assets (all share classes) as of August 31, 2005 \$52.2 billion	Cusip Number 922906201
Suitable for IRAs Yes	Ticker Symbol VMMXX

Fund Profile—Vanguard Federal Money Market Fund

INVESTMENT OBJECTIVE

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

PRIMARY INVESTMENT POLICIES

The Fund invests primarily in high-quality, short-term money market instruments. At least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). The Fund maintains a dollar-weighted average maturity of 90 days or less. For more information, see **More on the Funds**.

PRIMARY RISKS

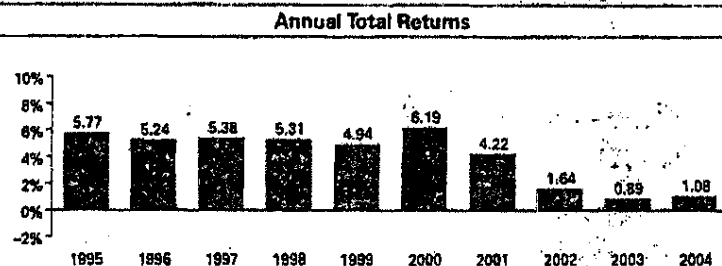
The Fund is designed for investors with a low tolerance for risk; however, the Fund's performance could be hurt by:

- **Income risk**, which is the chance that the Fund's income will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- **Manager risk**, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- **Credit risk**, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the Fund because it invests only in securities that are considered to be of high quality.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

PERFORMANCE/RISK INFORMATION

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of a relevant market index and an average government money market fund. Keep in mind that the Fund's past returns do not indicate how the Fund will perform in the future.



The year-to-date return as of the most recent calendar quarter, which ended September 30, 2005, was 2.01%.

During the periods shown in the bar chart, the highest return for a calendar quarter was 1.59% (quarter ended December 31, 2000), and the lowest return for a quarter was 0.18% (quarter ended March 31, 2004).

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Average Annual Total Returns for Periods Ended December 31, 2004

	1 Year	5 Years	10 Years
Vanguard Federal Money Market Fund	1.08%	2.78%	4.05%
Comparative Benchmarks			
Citigroup 3-Month U.S. Treasury Bill Index (reflects no deduction for fees or expenses)	1.24	2.79	3.99
Average Government Money Market Fund*	0.63	2.26	3.55

*Derived from data provided by Lipper Inc.

If you would like to know the current annualized 7-day yield for the Fund, please visit our website at www.vanguard.com or call Vanguard's Investor Information Department at 800-662-7447 (SHIP).

FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. As is the case with all mutual funds, transaction costs incurred by the Fund for buying and selling securities are not reflected in the table, although such costs are reflected in the investment performance figures included in the prospectus. The expenses shown under *Annual Fund Operating Expenses* are based on those incurred in the fiscal year ended August 31, 2005.

SHAREHOLDER FEES (fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Purchase Fee:	None
Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fee:	None*

ANNUAL FUND OPERATING EXPENSES (expenses deducted from the Fund's assets)

Management Expenses:	0.28%
12b-1 Distribution Fee:	None
Other Expenses:	0.02%
Total Annual Fund Operating Expenses:	0.30%

*A \$5 fee applies to wire redemptions under \$5,000.

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years	5 Years	10 Years
\$31	\$97	\$169	\$381

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Additional Information

Dividends

Declared daily and distributed on the first business day of each month

Investment Advisor

The Vanguard Group, Valley Forge, Pa.
Since inception

Inception Date

July 13, 1981

Net Assets as of August 31, 2005

\$5.6 billion

Suitable for IRAs

Yes

Minimum Initial Investment

\$3,000

Newspaper Abbreviation

VangFol

Vanguard Fund Number

33

Cusip Number

922906300

Ticker Symbol

VMFX

Fund Profile—Vanguard Treasury Money Market Fund

INVESTMENT OBJECTIVE

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

PRIMARY INVESTMENT POLICIES

The Fund invests solely in high-quality, short-term money market securities whose interest and principal payments are backed by the full faith and credit of the U.S. government. At least 80% of the Fund's assets will always be invested in U.S. Treasury securities; the remainder of the assets may be invested in securities issued by U.S. governmental agencies. The Fund maintains a dollar-weighted average maturity of 90 days or less. For more information, see **More on the Funds**.

PRIMARY RISKS

The Fund is designed for investors with a low tolerance for risk; however, the Fund's performance could be hurt by:

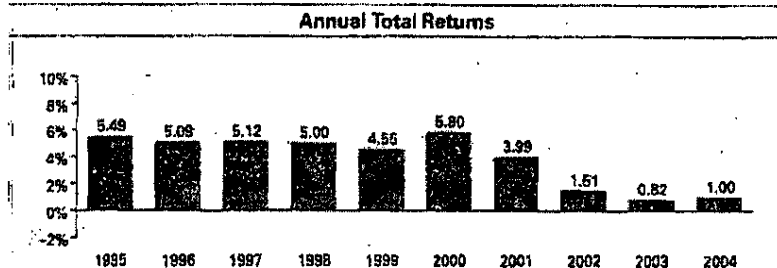
- **Income risk**, which is the chance that the Fund's income will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- **Manager risk**, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

PERFORMANCE/RISK INFORMATION

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of average Treasury money market funds. Keep in mind that the Fund's past returns do not indicate how the Fund will perform in the future.

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The year-to-date return as of the most recent calendar quarter, which ended September 30, 2005, was 1.88%.

During the periods shown in the bar chart, the highest return for a calendar quarter was 1.51% (quarter ended December 30, 2000), and the lowest return for a quarter was 0.17% (quarter ended March 31, 2004).

Average Annual Total Returns for Periods Ended December 31, 2004

	1 Year	5 Years	10 Years
Vanguard Treasury Money Market Fund	1.00%	2.61%	3.82%
Comparative Benchmarks			
iMoneyNet Money Fund Report's Average 100% Treasury Fund	0.60	2.22	3.46
Average U.S. Treasury Money Market Fund*	0.59	2.15	3.44

*Derived from data provided by Lipper Inc.

If you would like to know the current annualized 7-day yield for the Fund, please visit our website at www.vanguard.com or call Vanguard's Investor Information Department at 800-662-7447 (SHIP).

FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. As is the case with all mutual funds, transaction costs incurred by the Fund for buying and selling securities are not reflected in the table, although such costs are reflected in the investment performance figures included in the prospectus. The expenses shown under *Annual Fund Operating Expenses* are based on those incurred in the fiscal year ended August 31, 2005.

SHAREHOLDER FEES (fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Purchase Fee:	None
Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fee:	None*

ANNUAL FUND OPERATING EXPENSES (expenses deducted from the Fund's assets)

Management Expenses:	0.28%
12b-1 Distribution Fee:	None
Other Expenses:	0.02%
Total Annual Fund Operating Expenses:	0.30%

*A \$5 fee applies to wire redemptions under \$5,000.

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years	5 Years	10 Years
\$31	\$97	\$169	\$381

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Additional Information

Dividends

Declared daily and distributed on the first business day of each month

Investment Advisor

The Vanguard Group, Valley Forge, Pa.
since inception

Inception Date

March 9, 1983

Net Assets as of August 31, 2005

\$4.6 billion

Suitable for IRAs

Yes

Minimum Initial Investment

\$3,000

Newspaper Abbreviation

VangTrsy

Vanguard Fund Number

50

Cusip Number

921948105

Ticker Symbol

VMPXX

Fund Profile—Vanguard Admiral™ Treasury Money Market Fund

INVESTMENT OBJECTIVE

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

PRIMARY INVESTMENT POLICIES

The Fund invests solely in high-quality, short-term money market securities whose interest and principal payments are backed by the full faith and credit of the U.S. government. At least 80% of the Fund's assets will always be invested in U.S. Treasury securities; the remainder of the assets may be invested in securities issued by U.S. governmental agencies. The Fund maintains a dollar-weighted average maturity of 90 days or less. For more information, see **More on the Funds.**

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PRIMARY RISKS

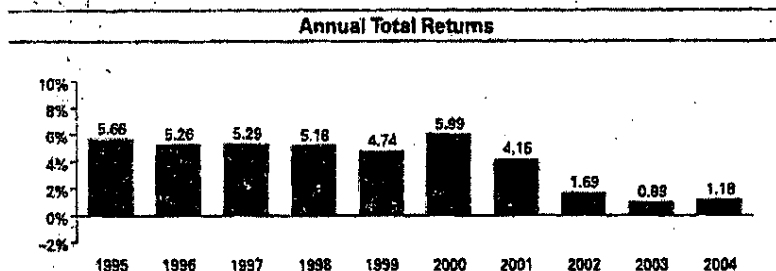
The Fund is designed for investors with a low tolerance for risk; however, the Fund's performance could be hurt by:

- **Income risk**, which is the chance that the Fund's income will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- **Manager risk**, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

PERFORMANCE/RISK INFORMATION

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of average Treasury money market funds. Keep in mind that the Fund's past returns do not indicate how the Fund will perform in the future.



The year-to-date return as of the most recent calendar quarter, which ended September 30, 2005, was 2.01%.

During the periods shown in the bar chart, the highest return for a calendar quarter was 1.56% (quarter ended December 30, 2000), and the lowest return for a quarter was 0.21% (quarter ended March 31, 2004).

Average Annual Total Returns for Periods Ended December 31, 2004			
	1 Year	5 Years	10 Years
Vanguard Admiral Treasury Money Market Fund	1.18%	2.78%	4.00%
Comparative Benchmarks			
iMoneyNet Money Fund Report's Average 100% Treasury Fund	0.60	2.22	3.46
Average U.S. Treasury Money Market Fund*	0.59	2.15	3.44

*Derived from data provided by Lipper Inc.

If you would like to know the current annualized 7-day yield for the Fund, please visit our website at www.vanguard.com or call Vanguard's Investor Information Department at 800-662-7447 (SHIP).

FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. As is the case with all mutual funds, transaction costs incurred by the Fund for buying and selling securities are not reflected in the table, although such costs are reflected in the investment performance figures included in the prospectus. The expenses shown under *Annual Fund Operating Expenses* are based on those incurred in the fiscal year ended August 31, 2005.

SHAREHOLDER FEES (fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Purchase Fee:	None
Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fee:	None*

ANNUAL FUND OPERATING EXPENSES (expenses deducted from the Fund's assets)

Management Expenses:	0.11%
12b-1 Distribution Fee:	None
Other Expenses:	0.02%
Total Annual Fund Operating Expenses:	0.13%

*A \$5 fee applies to wire redemptions under \$5,000.

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years	5 Years	10 Years
\$13	\$42	\$73	\$166

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Additional Information**Dividends**

Declared daily and distributed on the first business day of each month

Investment Advisor

The Vanguard Group, Valley Forge, Pa., since inception

Inception Date

December 14, 1992

Net Assets as of August 31, 2005

\$13.8 billion

Minimum Initial Investment

\$50,000

Newspaper Abbreviation

VangAdmUST

Vanguard Fund Number

11


Cusip Number

921932109

Ticker Symbol

VJSXX

More on the Funds

This prospectus describes the primary risks you would face as a Fund shareholder. It is important to keep in mind one of the main axioms of investing: The higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: The lower the risk, the lower the potential reward. As you consider an investment in any mutual fund, you should take into account your personal tolerance for fluctuations in the securities markets. Look for this  symbol throughout the prospectus. It is used to mark detailed information about the more significant risks that you would confront as a Fund shareholder.


The following sections explain the investment policies that each Fund uses in pursuit of its objective. The Fund's board of trustees, which oversees the Fund's management, may change investment policies in the interest of shareholders without a shareholder vote, unless those policies are designated as fundamental. The Federal Money Market Fund's policy of investing at least 80% of its assets in securities issued by the U.S. government and its agencies and instrumentalities and the Treasury and Admiral Treasury Money Market Funds' policies of investing at least 80% of their assets in U.S. Treasury securities may be changed only upon 60 days' notice to shareholders.

MARKET EXPOSURE

Each Fund's primary policy is to invest in very high-quality money market instruments. Also known as cash investments, these instruments are considered short-term (that is, they usually mature in 397 days or less). Each Fund maintains a dollar-weighted average maturity of 90 days or less. Vanguard Prime Money Market Fund invests more than 25% of its assets in money market instruments issued by financial services companies.

PLAIN TALK ABOUT Money Market Instruments

The term "money market instruments" refers to a variety of short-term, liquid investments, usually with maturities of 397 days or less. Some common types are *Treasury bills and notes*, which are securities issued by the U.S. government; *commercial paper*, which are promissory notes issued by large companies or financial firms; *banker's acceptances*, which are credit instruments guaranteed by banks; and *negotiable certificates of deposit*, which are issued by banks in large denominations. Money market securities can pay fixed, variable, or floating rates of interest.


 **Each Fund is subject to income risk, which is the chance that the Fund's income will decline because of falling interest rates. A fund's income declines when interest rates fall, because the fund then must invest in lower-yielding instruments. Because the Fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.**

SECURITY SELECTION


The Vanguard Group (Vanguard), advisor to the Funds, selects high-quality money market instruments. Each Fund focuses on securities of a particular class of issuer (the U.S. government, U.S. governmental agencies, or nongovernmental issuers). The Funds are managed without regard to tax ramifications.

PLAIN TALK ABOUT
Credit Quality

A money market instrument's credit-quality rating is an assessment of the issuer's ability to pay interest and, ultimately, to repay the principal. The lower the rating by one of the independent bond-rating agencies (for example, Moody's or Standard & Poor's), the greater the chance—in the rating agency's opinion—that the issuer will default, or fail to meet its payment obligations. Direct U.S. Treasury obligations, along with other securities backed by the "full faith and credit" of the U.S. government, carry the highest credit ratings. All things being equal, money market instruments with greater credit risk offer higher yields.

 **Each Fund is subject to manager risk, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.**

The *Prime Money Market Fund* invests in commercial paper, U.S. Treasury and agency securities, certificates of deposit, banker's acceptances, and other money market securities. Commercial paper must be rated Prime-1 by Moody's Investors Service, Inc., or A-1 by Standard & Poor's. Securities that are unrated must be issued by a company with a debt rating of A3 or better by Moody's or A- or better by Standard & Poor's. The *Prime Money Market Fund* also invests in short-term corporate, state, and municipal obligations rated A3 or better by Moody's or A- or better by Standard & Poor's, as well as in securities that are considered suitable for the Federal Money Market Fund.

 **The *Prime Money Market Fund* is subject to industry concentration risk, which is the chance that the Fund's performance will be significantly affected, for better or for worse, by developments in the financial services industry.**

More than 25% of the Fund's assets are invested in instruments issued by financial services companies, such as banks, insurance companies, real estate-related companies, securities firms, leasing companies, and other companies principally engaged in providing financial services to consumers and industry. These investments include, among others, bank obligations, high-quality asset-backed securities, and securities issued by the automobile finance industry. Changes in economic, regulatory, and political conditions that affect financial services companies could have a significant effect on the Fund. These conditions include changes in interest rates and defaults in payments by borrowers.

The Fund may also invest in Eurodollar and Yankee obligations, which include certificates of deposit issued in U.S. dollars by foreign banks and foreign branches of U.S. banks. Eurodollar and Yankee obligations have the same risks, such as income risk and credit risk, as those of U.S. money market instruments. Other risks of Eurodollar and Yankee obligations include the chance that a foreign government will not let U.S. dollar-denominated assets leave the country, the chance that the banks that issue Eurodollar obligations will not be subject to the same regulations as U.S. banks, and the chance that adverse political or economic developments will affect investments in a foreign country. Before the Fund's advisor selects a Eurodollar or Yankee obligation, however, any foreign issuer undergoes the same credit-quality analysis and tests of financial strength as those for the issuers of domestic securities.


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The *Federal Money Market Fund* invests mainly in securities issued by U.S. governmental agencies and instrumentalities whose interest and principal payments are neither guaranteed by the U.S. Treasury nor backed by the full faith and credit of the U.S. government. These agencies and instrumentalities include, among others, the Federal Home Loan Banks, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation. The Fund also may invest in securities issued by U.S. governmental agencies and instrumentalities and backed by the full faith and credit of the U.S. government, such as those issued by the Government National Mortgage Association (GNMA).

The *Treasury and Admiral Treasury Money Market Funds* invest solely in securities whose interest and principal payments are backed by the full faith and credit of the U.S. government. At least 80% of the Funds' assets will always be invested in U.S. Treasury securities. The remainder of the Funds' assets may include securities issued by U.S. governmental agencies such as the GNMA, the Small Business Administration, and the Federal Financing Bank.

PLAIN TALK ABOUT U.S. Government-Sponsored Entities

A variety of U.S. government-sponsored entities (GSEs), such as the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Banks (FHLBs), issue debt and mortgage-backed securities. Although GSEs may be chartered or sponsored by acts of Congress, they are not funded by congressional appropriations. Generally, their securities are neither issued by nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. government. In most cases, these securities are supported only by the credit of the GSE standing alone. In some cases, a GSE's securities may be supported by the ability of the GSE to borrow from the Treasury, or may be supported by the U.S. government in some other way. Securities issued by the Government National Mortgage Association (Ginnie Mae), however, are backed by the full faith and credit of the U.S. government.

 **Each Fund is subject, to a limited extent, to credit risk, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline.**

The four Funds differ mainly in terms of credit risk. In absolute terms, each Fund's credit quality is very high.

In relative terms, the Treasury and Admiral Treasury Money Market Funds, which invest in securities backed by the full faith and credit of the U.S. government, offer the lowest credit risk—and generally the lowest yields—of the four Funds.

Because many of the securities included in the Federal Money Market Fund are not backed by the full faith and credit of the U.S. government, the potential credit risk and yield for the Fund are somewhat higher than for the Treasury and Admiral Treasury Money Market Funds.

While the credit quality of its securities is very high, the Prime Money Market Fund faces more risk because it invests in money market securities issued by private companies. It is possible that one or more of these companies may experience financial difficulties and, as

a result, may fail to pay interest to the Fund or to return the Fund's principal when repayment is due. Therefore, the Prime Money Market Fund offers the highest credit risk—and generally the highest yield—of the four Funds.

Bear in mind that, while each Fund invests in high-quality money market instruments, the four Funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other agency of the U.S. government.



The Prime and Federal Money Market Funds reserve the right to invest in repurchase agreements, which are subject to specific risks.

PLAIN TALK ABOUT

Repurchase Agreements

Repurchase agreements are contracts in which a U.S. commercial bank or securities dealer sells government securities and agrees to repurchase the securities on a specific date (normally the next business day) at a specific price.

Repurchase agreements carry several risks. For instance, if the seller is unable to repurchase the securities as promised, a Fund may experience a loss when trying to sell the securities to another buyer. Also, if the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and order that the securities be used to pay off the seller's debts. The Funds' advisor believes that these risks can be controlled through careful security and counterparty selection and monitoring.



Each Fund reserves the right to invest, to a limited extent, in adjustable-rate securities, which are types of derivatives.

PLAIN TALK ABOUT

Derivatives

A derivative is a financial contract whose value is based on the value of a traditional security (such as a stock or a bond), a money market benchmark (such as U.S. Treasury bill rates or the federal funds effective rate), an asset (such as a commodity like gold), or a market index (such as the S&P 500 Index).

An adjustable-rate security's interest rate, as the name implies, is not set; instead, it fluctuates periodically. Generally, the security's yield is based on a U.S. dollar-based interest-rate benchmark such as the federal funds rate, the 90-day Treasury bill rate, or the London Interbank Offered Rate (LIBOR). These securities reset their yields on a periodic basis (for example, daily, weekly, or quarterly) or upon the change in the benchmark interest rate. These yields are closely correlated to changes in money market interest rates.

The Funds will not use derivatives for speculative purposes or as leveraged investments that magnify the risks of an investment.

In addition, each Fund, except the Admiral Treasury Money Market Fund, may invest up to 10% of its net assets in illiquid securities. These are securities that a Fund may not be able to sell in the ordinary course of business.

CASH MANAGEMENT

Vanguard may invest each Fund's daily cash balance in one or more Vanguard CMT Funds, which are very low-cost money market funds. The Fund is permitted to invest in the CMT Funds under the terms of an exemption granted by the Securities and Exchange Commission (SEC). When investing in a CMT Fund, each Fund bears its proportionate share of the at-cost expenses of the Vanguard CMT Fund in which it invests.

TEMPORARY INVESTMENT MEASURES

Each Fund may temporarily depart from its normal investment policies—for instance, by allocating substantial assets to cash investments—in response to extraordinary market, economic, political, or other conditions. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

FREQUENT TRADING OR MARKET-TIMING

Vanguard anticipates that shareholders will purchase and sell shares of money market funds frequently because these funds are designed to offer investors a liquid investment. For this reason, the board of trustees of each Fund has determined that it is not necessary to adopt policies and procedures designed to detect and deter frequent trading and market-timing in the money market fund shares. For information on frequent-trading limits of other Vanguard funds, please see the appropriate fund's prospectus.

PLAIN TALK ABOUT**Costs of Investing**

Costs are an important consideration in choosing a mutual fund. That's because you, as a shareholder, pay the costs of operating a fund, plus any transaction costs incurred when the fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation a fund achieves. Even seemingly small differences in expenses can, over time, have a dramatic effect on a fund's performance.

The Funds and Vanguard

Each Fund is a member of The Vanguard Group, a family of 36 investment companies with more than 130 funds holding assets in excess of \$885 billion. All of the funds that are members of The Vanguard Group share in the expenses associated with administrative services and business operations, such as personnel, office space, equipment, and advertising.

Vanguard also provides marketing services to the funds. Although shareholders do not pay sales commissions or 12b-1 distribution fees, each fund (or in the case of a fund with multiple share classes, each share class of the fund) pays its allocated share of The Vanguard Group's marketing costs.

PLAIN TALK ABOUT

Vanguard's Unique Corporate Structure

The Vanguard Group is truly a *mutual* mutual fund company. It is owned jointly by the funds it oversees and thus indirectly by the shareholders in those funds. Most other mutual funds are operated by for-profit management companies that may be owned by one person, by a group of individuals, or by investors who own the management company's stock. The management fees charged by these companies include a profit component over and above the companies' cost of providing services. By contrast, Vanguard provides services to its member funds on an at-cost basis, with no profit component, which helps to keep the funds' expenses low.

Investment Advisor

The Vanguard Group, P.O. Box 2600, Valley Forge, PA 19482, which began operations in 1975, serves as advisor to the Funds through its Fixed Income Group. As of August 31, 2005, Vanguard served as advisor for about \$639 billion in assets. Vanguard manages the Funds on an at-cost basis, subject to the supervision and oversight of the trustees and officers of the Funds.

For the fiscal year ended August 31, 2005, the advisory expenses represented an effective annual rate of 0.01% of each Fund's average net assets.

For a discussion of why the board of trustees approved each Fund's investment advisory arrangement, see the Funds' report to shareholders covering the period from September 1, 2004, to August 31, 2005.

George U. Sauter is Chief Investment Officer and Managing Director of Vanguard. As Chief Investment Officer, he is responsible for the oversight of Vanguard's Quantitative Equity and Fixed Income Groups. The investments managed by these two groups include active quantitative equity funds, equity index funds, active bond funds, index bond funds, stable value portfolios, and money market funds. Since joining Vanguard in 1987, Mr. Sauter has been a key contributor to the development of Vanguard's stock indexing and active quantitative equity investment strategies. He received his A.B. in Economics from Dartmouth College and an M.B.A. in Finance from the University of Chicago.

Robert F. Auwaerter is head of Fixed Income Portfolio Management and Principal of Vanguard. He has direct oversight responsibility for all money market funds, bond funds, and stable value portfolios managed by the Fixed Income Group. He has managed investment portfolios since 1978 and has been with Vanguard since 1981. He received his B.S. in Finance from The Wharton School of the University of Pennsylvania and an M.B.A. from Northwestern University.

PLAIN TALK ABOUT

The Funds' Portfolio Manager

The manager primarily responsible for the day-to-day management of the Funds is:

David R. Glocke, Principal of Vanguard. He has worked in investment management since 1991 and has managed investment portfolios since 1997. Education: B.S., University of Wisconsin.

The *Statement of Additional Information* provides information about the portfolio manager's compensation, other accounts under management, and ownership of securities in the Funds.

Dividends and Taxes

FUND DISTRIBUTIONS

Each Fund distributes to shareholders virtually all of its net income (interest less expenses). The Fund's income dividends accrue daily and are distributed on the first business day of every month. You can receive your income distributions in cash, or you can have them automatically reinvested in more shares of the Fund.

BASIC TAX POINTS

Vanguard will send you a statement each year showing the tax status of all your distributions. In addition, investors in taxable accounts should be aware of the following basic tax points:

- Distributions are taxable to you for federal income tax purposes, whether or not you reinvest these amounts in additional Fund shares.
- Distributions declared in December—if paid to you by the end of January—are taxable for federal income tax purposes as if received in December.
- Any dividend distributions that you receive are taxable to you as ordinary income for federal income tax purposes.
- Dividend distributions that you receive may be subject to state and local income taxes. Depending on your state's rules, however, any dividends attributable to interest earned on *direct* obligations of the U.S. government may be exempt from state and local taxes. Vanguard will notify you each year how much, if any, of your dividends may qualify for this exemption.
- Any conversion between classes of shares of the *same* fund is a nontaxable event. By contrast, an exchange between classes of shares of *different* funds is a taxable event.

GENERAL INFORMATION

Backup withholding. By law, Vanguard must withhold 28% of any taxable distributions or redemptions from your account if you do not:

- Provide us with your correct taxpayer identification number;
- Certify that the taxpayer identification number is correct; and
- Confirm that you are not subject to backup withholding.

Similarly, Vanguard must withhold taxes from your account if the IRS instructs us to do so.

Foreign investors. Vanguard funds generally are not sold outside the United States, except to certain qualified investors. If you reside outside the United States, please consult our website at www.vanguard.com and review "Non-U.S. investors." Foreign investors should be aware that U.S. withholding and estate taxes may apply to any investments in Vanguard funds.

Invalid addresses. If a dividend distribution check mailed to your address of record is returned as undeliverable, Vanguard will automatically reinvest all future distributions until you provide us with a valid mailing address.

Tax consequences. This prospectus provides general tax information only. If you are investing through a tax-deferred retirement account, such as an IRA, special tax rules apply. Please consult your tax advisor for detailed information about a fund's tax consequences for you.

Share Price

Each Fund's share price, called its *net asset value*, or NAV, is calculated each business day as of the close of regular trading on the New York Stock Exchange, generally 4 p.m., Eastern time. NAV per share for the Federal, Treasury, and Admiral Treasury Money Market Funds is computed by dividing the net assets of the Fund by the number of Fund shares outstanding. NAV per share for the Prime Money Market Fund is computed by dividing the net assets allocated to each share class by the number of Fund shares outstanding for that class. On holidays or other days when the Exchange is closed, the NAV is not calculated, and the Fund does not transact purchase or redemption requests.

The instruments held by a Vanguard money market fund are valued on the basis of amortized cost. The values of any mutual fund shares held by a fund are based on the NAVs of the underlying funds (in the case of conventional share classes) or the market value of the shares (in the case of exchange-traded fund shares, such as VIPERs®).

Although the stable share price is not guaranteed, the NAV of Vanguard money market funds is expected to remain at \$1 per share. Instruments are purchased and managed with that goal in mind.

Vanguard money market fund yields can be found weekly in the money market fund listings of most major newspapers, separate from the share price listings for other mutual funds.

Financial Highlights

The following financial highlights tables are intended to help you understand each Fund's financial performance for the periods shown, and certain information reflects financial results for a single Fund share. The total returns in each table represent the rate that an investor would have earned or lost each period on an investment in the Fund (assuming reinvestment of all distributions). This information has been derived from the financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report—along with each Fund's financial statements—is included in the Funds' most recent annual report to shareholders. To receive a free copy of the latest annual or semiannual report, you may access a report online at www.vanguard.com, or you may contact Vanguard by telephone or by mail.

PLAIN TALK ABOUT

How to Read the Financial Highlights Table

This explanation uses the Prime Money Market Fund's Investor Shares as an example. The Investor Shares began fiscal year 2005 with a net asset value (price) of \$1.00 per share. During the year, each Investor Share earned \$0.023 from investment income (interest). Shareholders received \$0.023 per share in the form of dividend distributions.

The earnings (\$0.023 per share) minus the distributions (\$0.023 per share) resulted in a share price of \$1.00 at the end of the year. For a shareholder who reinvested the distributions in the purchase of more shares, the total return was 2.31% for the year.

As of August 31, 2005, the Investor Shares had approximately \$46.4 billion in net assets. For the year, the expense ratio was 0.30% (\$3.00 per \$1,000 of net assets), and the net investment income amounted to 2.29% of average net assets.

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Prime Money Market Fund Investor Shares

	Year Ended August 31,				Dec. 1, 2000, to Aug. 31,	Year Ended Nov. 30,
	2005	2004	2003	2002	2001 ¹	2000
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Investment Operations						
Net Investment Income	.023	.008	.011	.021	.037	.060
Net Realized and Unrealized Gain (Loss) on Investments	—	—	—	—	—	—
Total from Investment Operations	.023	.008	.011	.021	.037	.060
Distributions						
Dividends from Net Investment Income	(.023)	(.008)	(.011)	(.021)	(.037)	(.060)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.023)	(.008)	(.011)	(.021)	(.037)	(.060)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	2.31%	0.83%	1.12%	2.09%	3.78%	6.21%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$46,454	\$43,884	\$47,341	\$49,784	\$50,495	\$45,719
Ratio of Total Expenses to Average Net Assets	0.30%	0.30%	0.32%	0.33%	0.33% ²	0.33%
Ratio of Net Investment Income to Average Net Assets	2.29%	0.82%	1.12%	2.07%	4.92% ²	6.04%

¹ The Fund's fiscal year-end changed from November 30 to August 31, effective August 31, 2001.² Annualized.**Federal Money Market Fund**

	Year Ended August 31,				Dec. 1, 2000, to Aug. 31,	Year Ended Nov. 30,
	2005	2004	2003	2002	2001 ¹	2000
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Investment Operations						
Net Investment Income	.022	.008	.011	.021	.037	.059
Net Realized and Unrealized Gain (Loss) on Investments	—	—	—	—	—	—
Total from Investment Operations	.022	.008	.011	.021	.037	.059
Distributions						
Dividends from Net Investment Income	(.022)	(.008)	(.011)	(.021)	(.037)	(.059)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.022)	(.008)	(.011)	(.021)	(.037)	(.059)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	2.26%	0.82%	1.11%	2.12%	3.78%	6.11%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$5,507	\$5,575	\$6,289	\$6,794	\$6,527	\$5,495
Ratio of Total Expenses to Average Net Assets	0.30%	0.30%	0.32%	0.33%	0.33% ²	0.33%
Ratio of Net Investment Income to Average Net Assets	2.23%	0.81%	1.11%	2.10%	4.92% ²	5.94%

¹ The Fund's fiscal year-end changed from November 30 to August 31, effective August 31, 2001.² Annualized.

Treasury Money Market Fund

	Year Ended August 31,				Dec. 1, 2000, to Aug. 31,	Year Ended Nov. 30,
	2005	2004	2003	2002	2001 ¹	2000
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Investment Operations						
Net Investment Income	.021	.007	.010	.020	.035	.056
Net Realized and Unrealized Gain (Loss) on Investments	—	—	—	—	—	—
Total from Investment Operations	.021	.007	.010	.020	.035	.056
Distributions						
Dividends from Net Investment Income	(.021)	(.007)	(.010)	(.020)	(.035)	(.056)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.021)	(.007)	(.010)	(.020)	(.035)	(.056)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	2.12%	0.74%	1.03%	1.98%	3.58%	5.70%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,558	\$4,628	\$4,959	\$4,822	\$4,453	\$4,107
Ratio of Total Expenses to Average Net Assets	0.30%	0.30%	0.32%	0.33%	0.33% ²	0.33%
Ratio of Net Investment Income to Average Net Assets	2.10%	0.73%	1.03%	1.95%	4.68% ²	5.53%

¹ The Fund's fiscal year-end changed from November 30 to August 31, effective August 31, 2001.

² Annualized.

Admiral Treasury Money Market Fund

	Year Ended August 31,				Feb. 1, 2001, to Aug. 31,	Year Ended Jan. 31,
	2005	2004	2003	2002	2001 ¹	2001
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Investment Operations						
Net Investment Income	.023	.009	.012	.021	.026	.059
Net Realized and Unrealized Gain (Loss) on Investments	—	—	—	—	—	—
Total from Investment Operations	.023	.009	.012	.021	.026	.059
Distributions						
Dividends from Net Investment Income	(.023)	(.009)	(.012)	(.021)	(.026)	(.059)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.023)	(.009)	(.012)	(.021)	(.026)	(.059)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	2.23%	0.91%	1.20%	2.15%	2.65%	6.07%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$13,838	\$13,270	\$13,129	\$10,608	\$7,851	\$6,746
Ratio of Total Expenses to Average Net Assets	0.13%	0.13%	0.14%	0.14%	0.15% ²	0.15%
Ratio of Net Investment Income to Average Net Assets	2.27%	0.91%	1.18%	2.09%	4.49% ²	5.90%

¹ The Fund's fiscal year-end changed from January 31 to August 31, effective August 31, 2001.

² Annualized.

Investing With Vanguard

This section of the prospectus explains the basics of doing business with Vanguard. Be sure to carefully read each topic that pertains to your relationship with Vanguard. Vanguard reserves the right to change these policies, without prior notice to shareholders.

Buying Shares

Converting Shares

Redeeming Shares

Exchanging Shares

Other Rules You Should Know

Fund and Account Updates

Contacting Vanguard

Buying Shares

Account Minimums

To open and maintain an account. For the Admiral Money Market Fund only: \$50,000. For the other three Funds: \$3,000.
To add to an existing account. \$50 by Automatic Investment Plan, \$100 by check, exchange, or electronic bank transfer (other than Automatic Investment Plan); \$1,000 by wire.

Vanguard reserves the right, without prior notice, to increase or decrease the minimum amount required to open or maintain an account, or to add to an existing account.

Investment minimums may differ for certain categories of investors.

How to Buy Shares

Online transactions. You may open certain types of accounts, request electronic bank transfers, and exchange the proceeds of a redemption from one fund to purchase shares in a new or existing fund account through our website at www.vanguard.com.

By telephone. You may call Vanguard to request a purchase of shares by wire or by an exchange (using the proceeds from the sale of shares in another Vanguard fund). You may also request the forms needed to open a new account.

By mail. You may send your check and account registration form to open a new account at Vanguard. To add to an existing fund account, you may send your check with an Invest-by-Mail form (from your account statement) or with a deposit slip (available online under "Buy, by check"), or you may send written purchase instructions. All must be in good order.

By electronic bank transfer. To perform electronic bank transfers, you must designate a bank account online, or by completing a special form or the appropriate section of your account registration form. You can then make purchases on a regular schedule (Automatic Investment Plan) or whenever you wish by electronic bank transfer. Your transaction can

be accomplished online, by telephone, or by mail if your request is in good order. For further information about these options, consult our website at www.vanguard.com or see *Contacting Vanguard*.

Good order. You must include complete and accurate required information on your purchase request. See *Other Rules You Should Know—Good Order*. The requirements vary among types of accounts and transactions.

Types of Purchases

By check. You may mail your check and a completed account registration form to Vanguard to open a new account. When adding to an existing account, send your check with an Invest-by-Mail form, written purchase instructions, or a printed deposit slip. Make your check payable to: *Vanguard—“Fund Number.”* For a list of Fund numbers and addresses, see *Contacting Vanguard*.

By exchange. You may purchase shares with the proceeds of a redemption from another Vanguard fund. See *Exchanging Shares and Other Rules You Should Know*.

By Automatic Investment Plan or other electronic bank transfer. You can make purchases on a regular schedule (Automatic Investment Plan) or whenever you wish by electronic bank transfer. Your transaction can be accomplished online, by telephone, or by mail if your request is in good order.

By wire. Call Vanguard to purchase shares by wire. See *Contacting Vanguard*.

Your Purchase Price

By check (to purchase all funds other than money market funds), by exchange, or by wire. You buy shares at a fund's NAV determined as of your trade date. A purchase request received by Vanguard before the close of regular trading on the New York Stock Exchange (generally 4 p.m., Eastern time) receives a trade date of the same day, and a purchase request received after that time receives a trade date of the first business day following the date of receipt.

By check (to purchase money market funds only). For a check purchase request received by Vanguard before the close of regular trading on the New York Stock Exchange (generally 4 p.m., Eastern time), the trade date is the first business day following the date of receipt. For a purchase request received after that time, the trade date is the second business day following the date of receipt. Because money market instruments must be purchased with federal funds and it takes a money market mutual fund one business day to convert check proceeds into federal funds, the trade date is always one day later than for other funds.

By electronic bank transfer (other than Automatic Investment Plan). For all Vanguard funds, a purchase request received by Vanguard on a business day *before* 10 p.m., Eastern time, will receive a trade date of the following business day.

By electronic bank transfer (with Automatic Investment Plan). Your Vanguard account's trade date will be one business day before the date you designated for withdrawal from your bank account.

For further information about these options, consult our website at www.vanguard.com or see *Contacting Vanguard*.

Earning Dividends

You begin earning dividends on the business day following your trade date. When buying money market fund shares through a federal funds wire, however, you can begin earning dividends immediately by making a purchase request by telephone to Vanguard before 10:45 a.m., Eastern time (2 p.m., Eastern time, for Vanguard Prime Money Market Fund).

Purchase Rules You Should Know

✓**Check purchases.** All purchase checks must be written in U.S. dollars and drawn on a U.S. bank. Vanguard does not accept cash, traveler's checks, or money orders. In addition, to protect the funds from fraud, Vanguard may refuse "starter checks" and checks that are not made payable to Vanguard.

✓**New accounts.** We are required by law to obtain from you certain personal information that we will use to verify your identity. If you do not provide the information, we may not be able to open your account. If we are unable to verify your identity, Vanguard reserves the right to close your account or take such other steps as we deem reasonable.

✓**Future purchases.** Vanguard reserves the right to reject any purchase request at any time and without notice, including purchases requested by exchange from another Vanguard fund. This also includes the right to reject any purchase request because of a history of frequent trading by the investor or because the purchase may disrupt a fund's operation or performance. In addition, all Vanguard funds reserve the right to stop selling shares.

✓**Large purchases.** Please call Vanguard before attempting to invest a large dollar amount.

✓**No cancellations.** Place your transaction requests carefully. Vanguard will not cancel any transaction request received by telephone or through *Vanguard.com* once it has been confirmed. In the case of written transaction requests, Vanguard will not cancel any transaction once it has been processed.

Converting Shares

A conversion between share classes of the same fund is a nontaxable event.

Pricing of Share Class Conversions

If you convert from one class of shares to another, the transaction will be based on the respective share prices of the separate classes on the trade date for the conversion. *Consequently, a conversion may provide you with fewer shares or more shares than you originally owned, depending on that day's share prices.* At the time of conversion, the total dollar value of your "old" shares will equal the total dollar value of your "new" shares. However, subsequent share price fluctuations may decrease or increase the total dollar value of your "new" shares compared with that of your "old" shares.

Conversions From Investor Shares

You are eligible for a self-directed conversion from Investor Shares of Vanguard Prime Money Market Fund into Institutional Shares of the Fund, provided that your account balance in the Fund is at least \$5 million. Registered users of our website, www.vanguard.com, may request a conversion online, or you may contact Vanguard by telephone or by mail to request this transaction.

Mandatory Conversions Into Investor Shares

If an investor no longer meets the requirements for Institutional Shares, the Fund may automatically convert the investor's Institutional Shares into Investor Shares. A decline in the investor's account balance because of market movement may result in such a conversion. The Fund will notify the investor in writing before any mandatory conversion into Investor Shares.

Redeeming Shares

How to Redeem Shares

Be sure to check *Other Rules You Should Know* before initiating your request.

Online transactions. You may redeem shares, initiate electronic bank transfers, and exchange the proceeds of a redemption from one fund to purchase shares of another fund through our website at www.vanguard.com.

By telephone. You may call Vanguard to request a redemption. See *Contacting Vanguard*.

By mail. You may send your written redemption instructions in good order to Vanguard. For addresses, see *Contacting Vanguard*.

By writing a check. If you've established the checkwriting service on your account, you can redeem shares by writing a check for \$250 or more.

By electronic bank transfer. To perform electronic bank transfers, you must designate a bank account online, or by completing a special form or the appropriate section of your account registration form. You can then make redemptions on a regular schedule (Automatic Withdrawal Plan) or whenever you wish by electronic bank transfer. Your transaction can be accomplished online, by telephone, or by mail if your request is in good order. For further information about these options, consult our website at www.vanguard.com or see *Contacting Vanguard*.

Good order. You must include complete and accurate required information on your redemption request. See *Other Rules You Should Know—Good Order*. The requirements vary among types of accounts and transactions.

Types of Redemptions

✓ **By check.** Unless instructed otherwise, Vanguard will mail you a check, normally within two business days of your trade date.

✓ **By exchange.** You may instruct Vanguard to apply the proceeds of your redemption to purchase shares of another Vanguard fund. See *Exchanging Shares and Other Rules You Should Know*.

✓ **By Automatic Withdrawal Plan or other electronic bank transfer.** You may make redemptions on a regular schedule (Automatic Withdrawal Plan) or whenever you wish by electronic bank transfer. Proceeds of redeemed shares will be credited to your bank account two business days after your trade date. The minimum electronic redemption is \$100.

✓ **By wire.** When redeeming from a money market fund or a bond fund, you may instruct Vanguard to wire your redemption proceeds (\$1,000 minimum) to a previously designated bank account. Wire redemptions generally are not available for Vanguard's balanced or stock funds. The wire redemption option is *not automatic*; you must establish it either online or by completing a special form or the appropriate section of your account registration form. Vanguard charges a \$5 fee for wire redemptions under \$5,000.

Money Market Funds: For telephone requests received by Vanguard before 10:45 a.m., Eastern time (2 p.m., Eastern time, for Vanguard Prime Money Market Fund), the redemption proceeds will leave Vanguard by the close of business that same day. For other requests received before 4 p.m., Eastern time, the redemption proceeds will leave Vanguard by the close of business on the following business day.

Bond Funds: For requests received by Vanguard before 4 p.m., Eastern time, the redemption proceeds will leave Vanguard by the close of business on the following business day.

Your Redemption Price

You redeem shares at a fund's next-determined NAV after Vanguard receives your redemption request, *including any special documentation required under the circumstances*. For example, if your request is received by Vanguard before the close of regular trading on the New York Stock Exchange (generally 4 p.m., Eastern time), your shares are redeemed at that day's NAV. This is known as your trade date. The trade date for Automatic Withdrawal Plan redemptions is two business days prior to the date you designated for the proceeds to be in your bank account.

Earning Dividends

Shares continue earning dividends until the business day following your trade date. There are two exceptions to this rule: (1) If you redeem shares by writing a check against your account, the shares will stop earning dividends on the day that your check posts to your account; and (2) For money market funds only, if you redeem shares with a same-day wire request before 10:45 a.m., Eastern time (2 p.m., Eastern time for Vanguard Prime Money Market Fund), the shares will stop earning dividends that same day.

Redemption Rules You Should Know

✓ **Special accounts.** Special documentation may be required to redeem from certain types of accounts, such as trust, corporate, nonprofit, or retirement accounts. Please call us *before* attempting to redeem from these types of accounts.

✓ **Potentially disruptive redemptions.** Vanguard reserves the right to pay all or part of a redemption in kind—that is, in the form of securities—if we reasonably believe that a cash redemption would disrupt the fund's operation or performance or that the shareholder may be engaged in frequent trading. Under these circumstances, Vanguard also reserves the right to delay payment of your redemption proceeds for up to seven calendar days. By calling us *before* you attempt to redeem a large dollar amount, you may avoid in-kind or delayed payment of your redemption.

✓ **Recently purchased shares.** Although you can redeem shares at any time, proceeds may not be made available to you until the fund collects payment for your purchase. This may take up to ten calendar days for shares purchased by check or by electronic bank transfer. If you have written a check on a fund with checkwriting privileges, that check may be rejected if your fund account does not have a sufficient balance.

✓ **Share certificates.** If share certificates have been issued for your account, those shares cannot be redeemed until you return the certificates (unsigned) to Vanguard by registered mail. For the correct address, see *Contacting Vanguard*.

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✓ **Address change.** If you change your address online or by telephone, there may be a 15-day hold on online and telephone redemptions. Address-change confirmations are sent to both the old and new addresses.

✓ **Payment to a different person or address.** At your request, we can make your redemption check payable, or wire your redemption proceeds, to a different person or send it to a different address. However, this requires the written consent of all registered account owners and may require a signature guarantee. You can obtain a signature guarantee from most commercial and savings banks, credit unions, trust companies, or member firms of a U.S. stock exchange. A notary public cannot provide a signature guarantee.

✓ **No cancellations.** Place your transaction requests carefully. Vanguard will not cancel any transaction request received by telephone or through *Vanguard.com* once it has been confirmed. In the case of written transaction requests, Vanguard will not cancel any transaction once it has been processed.

✓ **Emergency circumstances.** Vanguard funds can postpone payment of redemption proceeds for up to seven calendar days. In addition, Vanguard funds can suspend redemptions and/or postpone payments of redemption proceeds beyond seven calendar days at times when the New York Stock Exchange is closed or during emergency circumstances, as determined by the SEC.

Exchanging Shares

An exchange occurs when the assets redeemed from one Vanguard fund are used to purchase shares in another Vanguard fund. All open Vanguard funds accept exchange requests online (through your account registered with *Vanguard.com*), by telephone, or by mail.

Please note that Vanguard reserves the right to revise or terminate the exchange privilege, limit the amount of any exchange, or reject an exchange, at any time, for any reason.

Other Rules You Should Know

Vanguard.com®

✓ **Registration.** If you are a registered user of *Vanguard.com*, you can use your personal computer to review your account holdings; to buy, sell, or exchange shares of most Vanguard funds; and to perform most other transactions. To establish this service, you must register online.

✓**Electronic delivery.** Vanguard can deliver your account statements, transaction confirmations, and fund financial reports electronically. If you are a registered user of *Vanguard.com*, you can consent to the electronic delivery of these documents by logging on and changing your mailing preference under "My Profile." You can revoke your electronic consent at any time, and we will begin to send paper copies of these documents within 30 days of receiving your notice.

Telephone Transactions

✓**Automatic.** When we set up your account, we'll automatically enable you to do business with us by telephone, *unless you instruct us otherwise in writing.*

✓**Tele-Account®.** To conduct account transactions through Vanguard's automated telephone service, you must first obtain a Personal Identification Number (PIN). Call Tele-Account at 800-662-6273 to obtain a PIN, and allow seven days after requesting the PIN before using this service.

✓**Proof of a caller's authority.** We reserve the right to refuse a telephone request if the caller is unable to provide the requested information or if we reasonably believe that the caller is not an individual authorized to act on the account. Before we allow a caller to act on an account, we may request the following information:

- Authorization to act on the account (as the account owner or by legal documentation or other means).
- Account registration and address.
- Social Security or employer identification number.
- Fund name and account number, if applicable.
- Other information relating to the account.

✓**Subject to revision.** We reserve the right to revise or terminate Vanguard's telephone transaction service for any or all shareholders at any time, without notice.

Good Order

We reserve the right to reject any transaction instructions that are not in "good order." The requirements vary among types of accounts and transactions. Good order means that your instructions must include:

- The fund name and account number.
- The amount of the transaction (stated in dollars, shares, or percent).

Written instructions also must include:

- Authorized signatures of all registered owners.
- Signature guarantees, if required for the type of transaction.*
- Any supporting legal documentation that may be required.

*Call Vanguard for specific signature-guarantee requirements.

Future Trade Date Requests

Vanguard does not accept requests to hold a purchase, conversion, redemption, or exchange transaction for a future date. All such requests will receive trade dates as previously described in *Buying Shares*, *Converting Shares*, and *Redeeming Shares*. Vanguard reserves the right to return future-dated checks.

Accounts With More Than One Owner

If an account has more than one owner or authorized person, Vanguard will accept telephone or online instructions from any one owner or authorized person.

Responsibility for Fraud

Vanguard will not be responsible for any account losses because of fraud if we reasonably believe that the person transacting business on an account is authorized to do so. Please take precautions to protect yourself from fraud. Keep your account information private, and immediately review any account statements that we send to you. It is important that you contact Vanguard immediately about any transactions you believe to be unauthorized.

Uncashed Checks

Please cash your distribution or redemption checks promptly. Vanguard will not pay interest on uncashed checks.

Unusual Circumstances

If you experience difficulty contacting Vanguard online, by telephone, or by Tele-Account, you can send us your transaction request by regular or express mail. See *Contacting Vanguard* for addresses.

Investing With Vanguard Through Other Firms

You may purchase or sell shares of most Vanguard funds through a financial intermediary, such as a bank, broker, or investment advisor.

If you invest with Vanguard through an intermediary, please read that firm's program materials carefully to learn of any rules or fees that may apply.

Custodial Fees

Vanguard charges a custodial fee of \$10 a year for each IRA fund account with a balance of less than \$5,000. The fee can be waived if you have assets totaling \$50,000 or more at Vanguard in any combination of accounts under your taxpayer identification number, including IRAs, employer-sponsored retirement plans, brokerage accounts, annuities, and non-IRA accounts.

Low-Balance Accounts

All Vanguard funds reserve the right to liquidate any investment-only retirement-plan account or any nonretirement account whose balance falls below the minimum initial investment. If a fund has a redemption fee, that fee will apply to shares redeemed upon closure of the account.

For most nonretirement accounts, Vanguard deducts a \$10 fee in June if the fund account balance is below \$2,500. This fee can be waived if the total Vanguard account assets under your taxpayer identification number are \$50,000 or more.

Right to Change Policies

In addition to the rights expressly stated elsewhere in this prospectus, Vanguard reserves the right to (1) alter, add, or discontinue any conditions of purchase, redemption, service, or privilege at any time without notice; (2) accept initial purchases by telephone; (3) freeze any account and suspend account services when Vanguard has received reasonable notice of a dispute regarding the assets in an account, including notice of a dispute between the registered or beneficial account owners or when we reasonably believe a fraudulent transaction may occur or has occurred; (4) alter, impose, discontinue, or waive any redemption fee, low-balance account fee, account maintenance fee, or other fees charged to a group of shareholders; and (5) redeem an account, without the owner's permission to do so, in cases of threatening conduct or suspicious, fraudulent, or illegal activity. Changes may affect all investors or only those in certain classes or groups. These actions will be taken when, in the sole discretion of Vanguard management, we reasonably believe they are deemed to be in the best interest of a fund.

Fund and Account Updates

Confirmation Statements

We will send (or provide online, whichever you prefer) a confirmation statement to verify your trade date and the amount of your transaction when you buy, sell, exchange, or convert shares. However, we will not send such statements if they reflect only money market checkwriting or the reinvestment of dividends or capital gains distributions. Promptly review each confirmation statement that we send to you. It is important that you contact Vanguard immediately with any questions you may have about any transaction reflected on the confirmation statement.

Portfolio Summaries

We will send (or provide online, whichever you prefer) quarterly portfolio summaries to help you keep track of your accounts throughout the year. Each summary shows the market value of your account at the close of the statement period, as well as all distributions, purchases, redemptions, exchanges, transfers, and conversions for the current calendar year. Promptly review each summary that we send to you. It is important that you contact Vanguard immediately with any questions you may have about any transaction reflected on the summary.

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Tax Statements

For most taxable accounts, we will send annual tax statements to assist you in preparing your income tax returns. These statements, which are generally mailed in January, will report the previous year's dividend distributions, proceeds from the sale of shares, and distributions from IRAs and other retirement plans. These statements can be viewed online.

Average-Cost Review Statements

For most taxable accounts, average-cost review statements will accompany annual 1099B tax statements. These statements show the average cost of shares that you redeemed during the previous calendar year, using the average-cost single-category method, which is one of the methods established by the IRS.

Annual and Semiannual Reports

We will send you (or provide online, whichever you prefer) financial reports about Vanguard Money Market Funds twice a year, in April and October. These comprehensive reports include overviews of the financial markets and provide the following specific fund information:

- Performance assessments and comparisons with industry benchmarks.
- Reports from the advisor.
- Financial statements with detailed listings of the Funds' holdings.

Vanguard attempts to eliminate the unnecessary expense of duplicate mailings by sending just one report when two or more shareholders have the same last name and address. You may request individual reports by contacting our Client Services Department in writing, by telephone, or by e-mail.

Contacting Vanguard**Online****Vanguard.com**

- For the most complete source of Vanguard news
- For fund, account, and service information
- For most account transactions
- For literature requests
- 24 hours a day, 7 days a week

**Vanguard Tele-Account®
800-662-6273
(ON-BOARD)**

- For automated fund and account information
- For redemptions by check, exchange (subject to certain limitations), or wire
- Toll-free, 24 hours a day, 7 days a week

**Investor Information
800-662-7447 (SHIP)
(Text telephone at
800-952-3335)**

- For fund and service information
- For literature requests
- Business hours only: Monday – Friday, 8 a.m. to 10 p.m., Eastern time; Saturday, 9 a.m. to 4 p.m., Eastern time

Client Services

800-662-2739 (CREW)

(Text telephone at
800-749-7273)

- For account information
- For most account transactions
- Business hours only: Monday – Friday, 8 a.m. to 10 p.m., Eastern time; Saturday, 9 a.m. to 4 p.m., Eastern time

Institutional Division

888-809-8102

- For information and services for large institutional investors
- Business hours only

Intermediary Sales

Support

800-997-2798

- For information and services for financial intermediaries including broker-dealers, trust institutions, insurance companies, and financial advisors
- Business hours only: Monday – Friday, 8:30 a.m. to 8 p.m., Eastern time

Vanguard Addresses

Please be sure to use the correct address, depending on your method of delivery. Use of an incorrect address could delay the processing of your transaction.

Regular Mail (Individuals):

The Vanguard Group
P.O. Box 1110
Valley Forge, PA 19482-1110

Regular Mail (Institutions):

The Vanguard Group
P.O. Box 2900
Valley Forge, PA 19482-2900

Registered, Express, or Overnight Mail:

The Vanguard Group
455 Devon Park Drive
Wayne, PA 19087-1815

Fund Numbers

Please use the specific fund number when contacting us:

Vanguard Prime Money Market Fund—30
Vanguard Federal Money Market Fund—33
Vanguard Treasury Money Market Fund—50
Vanguard Admiral Treasury Money Market Fund—11

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Glossary of Investment Terms

Dividend Distribution

Payment to mutual fund shareholders of income from interest or dividends generated by a fund's investments.

Expense Ratio

The percentage of a fund's average net assets used to pay its expenses during a fiscal year. The expense ratio includes management expenses—such as advisory fees, account maintenance, reporting, accounting, legal, and other administrative expenses—and any 12b-1 distribution fees. It does not include the transaction costs of buying and selling portfolio securities.

Investment Advisor

An organization that makes the day-to-day decisions regarding a fund's investments.

Money Market Fund

A mutual fund that seeks to provide income, liquidity, and a stable share price by investing in very short-term, liquid investments.

Money Market Instruments

Short-term, liquid investments (usually with a maturity of 397 days or less) that include U.S. Treasury bills and notes, bank certificates of deposit (CDs), repurchase agreements, commercial paper, and banker's acceptances.

Mutual Fund

An investment company that pools the money of many people and invests it in a variety of securities in an effort to achieve a specific objective over time.

Net Asset Value (NAV)

The market value of a mutual fund's total assets, minus liabilities, divided by the number of shares outstanding. The value of a single share is also called its share value or share price.

Principal

The face value of a debt instrument or the amount of money put into an investment.

Securities

Stocks, bonds, money market instruments, and interest in other investment vehicles.

Total Return

A percentage change, over a specified time period, in a mutual fund's net asset value, assuming the reinvestment of all distributions of dividends and capital gains.

Volatility

The fluctuations in value of a mutual fund or other security. The greater a fund's volatility, the wider the fluctuations in its returns.

Yield

Income (interest or dividends) earned by an investment, expressed as a percentage of the investment's price.



THE Vanguard GROUP.

Post Office Box 2600
Valley Forge, PA 19482-2600

For More Information

If you would like more information about Vanguard Money Market Funds, the following documents are available free upon request:

Annual/Semiannual Reports to Shareholders

Additional information about the Funds' investments is available in the Funds' annual and semiannual reports to shareholders. In the annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

Statement of Additional Information (SAI)

The SAI provides more detailed information about the Funds.

The current annual and semiannual reports and the SAI are incorporated by reference into (and are thus legally a part of) this prospectus.

To receive a free copy of the latest annual or semiannual report or the SAI, or to request additional information about the Funds or other Vanguard funds, please contact us as follows:

**The Vanguard Group
Investor Information
Department
P.O. Box 2600
Valley Forge, PA 19482-2600**

**Telephone:
800-662-7447 (SHIP)**

**Text Telephone:
800-952-3335**

**World Wide Web:
www.vanguard.com**

If you are a current Vanguard shareholder and would like information about your account, account transactions, and/or account statements, please call:

**Client Services Department
Telephone:
800-662-2739 (CREW)**

**Text Telephone:
800-749-7273**

Information provided by the Securities and Exchange Commission (SEC)

You can review and copy information about the Funds (including the SAI) at the SEC's Public Reference Room in Washington, DC. To find out more about this public service, call the SEC at 202-551-8090. Reports and other information about the Funds are also available in the EDGAR database on the SEC's Internet site at www.sec.gov, or you can receive copies of this information, for a fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-0102.

Funds' Investment Company Act file number: Prime and Federal Money Market Funds: 811-2554; Treasury Money Market Fund: 811-7803; Admiral Treasury Money Market Fund: 811-7043

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